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C O N F I D E N T I A L GUATEMALA 000453

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TAGS: [PGOV](#) [PREL](#) [PINR](#) [GT](#)
SUBJECT: MURDER OF PROMINENT LAWYER TARS COLOM
ADMINISTRATION

Classified By: Acting Pol/Econ Couns Brian Harris for reasons
1.4 (b) and (d)

¶1. (C) Summary: Rodrigo Rosenberg, a respected local attorney, was assassinated on May 10 while riding his bicycle in Guatemala City. Following his death news media aired a pre-recorded videotape of Rosenberg accusing President Colom, First Lady Sandra Torres, Private Secretary to the President Gustavo Alejos, and several members of the Board of Banrural, a quasi-state financial institution and third largest bank in Guatemala, of conspiring to murder him. In the tape, Rosenberg also alleges that Colom and others in his administration used Banrural to launder money skimmed from public accounts, from drug trafficking and other illicit activities. The sensational allegations have not caused a political firestorm. The President denied involvement and called for a thorough investigation. Two opposition leaders called for Colom's immediate resignation. Private sector leaders and civil society have called for a rapid and thorough investigation of the allegations. There are rumors that Rosenberg left additional documents and recordings to support his case. However, even in the absence of additional evidence, the case is a blow to the Colom government. The Ambassador, President Colom and private and public sector leaders have called for the involvement of the Commission Against Impunity in Guatemala (CICIG) in the investigation and President Colom requested the assistance from the FBI. Regional Legatt, Leo Navarette, will arrive May 13 to evaluate the case. We are using the situation to press with other donors for judicial reform. End Summary.

The Murder

¶2. (SBU) Rodrigo Rosenberg, as he often did, took his mountain bike for a ride on Guatemala's Avenida Las Americas on the morning of Sunday, May 10. On Sundays, Avenida Las Americas is closed to vehicular traffic and bolstered with extra security to allow for pedestrians to walk, jog or bike in a relaxed and secure atmosphere. The Sunday "ciclovia" on Avenida Las Americas is enjoyed by Guatemalan families from all classes and is frequented by Embassy personnel. According to witnesses, at approximately 9:15 AM when Rosenberg was approximately one block from Las Americas, two vehicles with unknown assailants approached Rosenberg, and open fired. Rosenberg was struck by three bullets and pronounced dead at the scene. Several embassy families live in the building next to where Rosenberg was killed and heard the shots, and one Embassy employee saw him struggling to rise after he had been shot.

¶3. (SBU) Rosenberg was a respected attorney with Masters degrees from Cambridge and Harvard. He had served as the Director of the Guatemalan Chamber of Commerce and was a Vice Dean of Guatemala's Universidad Rafael Landivar's law school. Rosenberg was also the attorney for prominent businessman Khalil Musa who was murdered while leaving his textile factory on April 14. Musa's daughter Marjorie, an American citizen, was also killed in the attack. These murders have not been solved.

The Tape

¶4. (SBU) Prior to his death, Rosenberg claimed to have received numerous death threats. On May 6, the Wednesday prior to his death, Rosenberg felt sufficiently threatened to record a testimony to be released by the press in the event of his assassination. In the 18 minute recording, Rosenberg describes what he believes is a conspiracy to protect a large-scale money laundering operation for the benefit of senior government officials and their closest advisors. President Colom, First Lady Sandra Torres, Private Secretary to the President Gustavo Alejos, and the businessman Gregorio Valdez (a major campaign financier) are all implicated in the conspiracy. Also implicated in the money laundering operation is Banrural, Guatemala's third-largest bank. An audio version of the tape was played on several radio stations at approximately 2:00 PM on May 11 and caused an immediate political firestorm. Rumors have surfaced that an additional 17 audio tapes and 42 documents are being held by Rosenberg confidantes with a strict, though unknown, schedule for release. We can not confirm the existence of such documents.

The Allegations

¶5. (SBU) In the tape, Rosenberg alleges that the Colom Administration was skimming public funds from government programs and protecting money laundering conducted by narcotraffickers. The alleged money laundering operations

were being handled by Banrural, a quasi-public bank in which the government owns 30 percent of the shares. According to Rosenberg, Banrural President Jose Angel Lopez, General Manager Fernando Pena, and board member Gerardo de Leon ran the operation.

¶6. (SBU) Rosenberg alleges that Colom and Alejos wanted to pressure Banrural officials presumably on illegal activities where the GOG and Banrural were both included. They threatened to put a watchdog on the Banrural Board. Musa was a prominent businessman who owned coffee plantations and textile factories and was widely regarded for his integrity and honesty. Alejos was friends with Alejandro Hildebrand, husband of Khalil's daughter, Marjorie Musa. Through Marjorie, Alejos met Musa to convince him to join the board of Banrural. Due to its ownership interest in Banrural, the government has the power to appoint three of its ten board members. Alejos allegedly thought Musa's reputation for honesty would worry Banrural managers as he would likely blow the whistle on the money laundering operations. Alejos obtained the board appointment for Musa but didn't make it public.

¶7. (SBU) To undermine Alejos' ability to use Musa as leverage, Pena and Lopez met in March 2009 with Musa in a restaurant in Guatemala's posh Zone 10. The objective of the meeting was to dissuade Musa from accepting the board position. According to Rosenberg, Musa responded that it wasn't his idea to join the board, rather, the government had asked him to join and he had agreed. If Pena and Lopez had an objection to his appointment they should take it up with President Colom. Rosenberg alleges that following this meeting Banrural management reached an accommodation with the Colom Administration. Shortly thereafter, on April 14, Khalil Musa, and his daughter Marjorie (who had acted as the initial go-between to set up the meeting between Musa and Alejos) were murdered.

¶8. (SBU) Following this double homicide, the Musa family asked Rodrigo Rosenberg, their long-time attorney and family friend, to look into the circumstances surrounding the murder. Rosenberg alleges he was upset by the Colom administration's claim that the Musas were killed over an internal dispute involving employees of their textile plant. Rosenberg pursued leads pointing to corruption at Banrural and among senior Colom administration officials, including the President himself. As part of his investigation, Rosenberg claims to have met with the President, Gustavo Alejos, the Board of Directors of Banrural, and businessman

and Colom-campaign supporter Gregorio Valdez. Rosenberg claims that Alejos and Valdez warned him that if he pursued his investigation he would be killed.

The Reaction

¶9. (SBU) Following revelations contained in the Rosenberg tape, print media commentators together with private sector leaders and civil society called for an immediate and thorough investigation into the allegations. Opposition leader Otto Perez Molina called for President Colom to step down and was joined by former presidential candidate Alejandro Giamattei. Anti-corruption crusader and Congresswomen Nineth Montenegro joined opposition party congresswomen Roxana Baldetti in calling for a floor debate in Congress on the issue. (Note: this motion has so far been unsuccessful. End note.)

¶10. (SBU) President Colom's spokesperson, Fernando Barillas, hastily assembled a press conference to deny the allegations and call for an investigation. President Colom called an impromptu meeting of the diplomatic community to explain his side of the story and ask for international assistance in the investigation. During the meeting President Colom looked agitated and unsure of himself. He welcomed the involvement of the CICIG to help with the investigation and expressed grudging support for a draft law to improve the transparency of the Supreme Court selection process (septel). Late in the evening, President Colom, flanked by his entire cabinet, delivered a nationwide television address calling for a full investigation and warning of the "danger to democracy" of opposition in the public and private sector who would seek to use the scandal to destabilize the government.

¶11. (C) On May 12, Ambassador McFarland called opposition leader Otto Perez Molina to ask for support for the Supreme Court reform law. Perez Molina expressed support for the law and thought there was a possibility it would pass Congress. The Ambassador, together with other ambassadors in the Donor Dialogue Group (USG currently heads) called on Roberto Alejos, President of Congress and brother of President Colom's Private Secretary Gustavo Alejos, to press for a

swift, objective and professional prosecution and to avoid politicization of the scandal. The Ambassador also made a similar statements to the press.

The Other Side of the Story

¶12. (C) An immediate family member of the Musas confirmed to us some of Rosenberg's testimony, such as the stormy meeting between Khalil Musa and the directors of Banrural. He said, however, that he does not see how Colom or Alejos could have benefited from the Musas' death. He thinks Rosenberg was depressed and unstable and may have drawn unwarranted conclusions about the murder. The family member does believe, however, that the Musas murder may have been related to the Banrural affair.

¶13. (C) Comment: The scandal erupting around the Rosenberg tapes in one of the greatest challenge yet to the Colom administration's credibility. The President's ability to take swift action to address the allegations and solve the murders of Khalil and Marjorie Musa and Rodrigo Rosenberg will determine whether he is able to recover political capital or whether the scandal will grow and undermine his ability to govern. The embassy has privately pledged to support a rapid and transparent investigation, particularly since the death of Amcit Marjorie Musa. The Ambassador has stressed the need for a full investigation. The seriousness with which the Guatemalan political class is taking Rosenberg's allegations reflect to a large extent their lack of confidence in the Colom Government and their satisfaction at any scandal that could undermine him. While Rosenberg's statement does not convincingly explain the motive behind Khalil Musa's murder, if additional evidence surfaces, it may

serve to answer this question or undermine the case altogether.

14 (C) The fact that these allegations have found resonance reflects several factors: the dramatic nature of Rosenberg's video; a general perception that corruption (but not outright murder) is a problem in the Colom government; and different opposition groups determined to use it to political advantage, or out of fear. For its part, the GOG is intent on dismissing the allegations as part of a "destabilization" attempt.

15. (C) Our objectives should be to keep the investigation impartial and on track, through support of the Ministerio Publico and CICIG and to discourage the GOG and opposition groups from politicizing this. We should continue to use this case to move our judicial reform agenda to pass the law to make transparent the selection of the judiciary in September.
McFarland